

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
NORTH HOPKINS WATER DISTRICT)	CASE NO. 93-169

O R D E R

On May 3, 1993, North Hopkins Water District ("North Hopkins") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North Hopkins purchases water from the city of Madisonville ("Madisonville").

2. Madisonville increased its rate for water sold from \$1.23 per 1,000 gallons to \$1.77 per 1,000 gallons effective April 1, 1993. North Hopkins proposes to increase the water rates to its customers effective May 1, 1993.

3. During the 12 months ending March 31, 1993, North Hopkins purchased 49,363,000 gallons of water and sold 40,112,000 gallons. The increase in the cost of purchased water is \$26,656 resulting in a purchased water adjustment of 66 cents per 1,000 gallons of water as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, the average bill of North Hopkins' customers would increase \$3.25 from \$42.20 to \$45.50 or 7.8 percent.

4. North Hopkins has miscalculated the purchased water adjustment factor insofar as it failed to divide the increased cost of water purchased by the annual sales. Therefore, the purchased water adjustment factor and the rates proposed by North Hopkins should be denied.

5. The purchased water adjustment of 66 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by North Hopkins are hereby denied.
2. The purchased water adjustment of 66 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after May 1, 1993.
3. Within 30 days of the date of this Order, North Hopkins shall file revised tariff sheets setting out the rates approved herein.
4. Within 20 days of the date of this order, North Hopkins shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 1st day of June, 1993.

ATTEST:

Don Mills
Executive Director

PUBLIC SERVICE COMMISSION

B. E. I. Cook
Chairman

Thomas W. Duman
Vice Chairman
Roger M. Davis
Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-165 DATED June 1, 1993

The following rates and charges are prescribed for the customers in the area served by North Hopkins Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly

5/8 x 3/4 Inch Meters

First 2,000 gallons	\$19.50 Minimum Bill
Next 2,000 gallons	9.45 per 1,000 gallons
Next 3,000 gallons	7.10 per 1,000 gallons
Next 3,000 gallons	5.95 per 1,000 gallons
Over 10,000 gallons	4.15 per 1,000 gallons

3/4 Inch Meters

First 3,000 gallons	\$29.95 Minimum Bill
Next 1,000 gallons	9.45 per 1,000 gallons
Next 3,000 gallons	7.10 per 1,000 gallons
Next 3,000 gallons	5.95 per 1,000 gallons
Over 10,000 gallons	4.15 per 1,000 gallons

1 Inch Meters

First 5,000 gallons	\$45.50 Minimum Bill
Next 2,000 gallons	7.10 per 1,000 gallons
Next 3,000 gallons	5.95 per 1,000 gallons
Over 10,000 gallons	4.15 per 1,000 gallons

1 1/2 Inch Meters

First 10,000 gallons	\$77.55 Minimum Bill
Over 10,000 gallons	4.15 per 1,000 gallons

2 Inch Meters

First 15,000 gallons	\$98.30 Minimum Bill
Over 15,000 gallons	4.15 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-165 DATED June 1, 1993

Purchased Water Adjustment Calculations

Water Purchased: 49,363,000 gallons

Water Sold: 40,112,000 gallons

Cost at changed Rate:

$49,363,000 \times \$1.77 = \$87,372.51$

LESS

Cost at Base Rate:

$49,363,000 \times \$1.23 = \underline{\$60,716.49}$

Increase in cost: \$ 26,656.02

$\$26,656.02 \div 40,112,000 \text{ gallons sold} = \$.6645 \text{ or } \$.66/1,000 \text{ gallons}$